

The Honorable Thomas E. Petri, Chairman
Subcommittee on Aviation
**Floor Consideration of H.R. 2594, the European Union
Emissions Trading Scheme Prohibition Act of 2011**
U.S. House of Representatives
October 24, 2011

Mr. Speaker, I yield myself such time as I may
consume.

I rise in support of H.R. 2594, the “European Union
Emissions Trading Scheme Prohibition Act of 2011.”

Starting in January 2012, the European Union (EU) will
begin to unilaterally apply its Emissions Trading Scheme
(“ETS”) to civil aviation operators landing in or departing
from one of the EU Member States.

Under the Emissions Trading Scheme, EU Member States will require international air carriers and operators to pay for emission allowances and, in some cases, penalties for carbon emissions.

The Scheme will apply to the entire length of the flight, including those parts of the flight outside the EU airspace. For instance, for a flight leaving Los Angeles for London, taxes would be levied not just for the portion of the flight over the United Kingdom, but also for the portions of the flight over the United States sovereign soil and the high seas.

On September 30th twenty-one countries, including the U.S., signed a joint declaration against the EU Emissions Trading Scheme in New Delhi, India. Despite serious legal issues and objections by the international community, the EU is pressing ahead with its plans.

H.R. 2594 will prohibit U.S. aircraft operators from participating in this illegal scheme put forward unilaterally by the EU.

The European Union's unilateral application of the Scheme onto U.S.-flagged operators without the consent of the United States Government raises significant legal concerns under international law, including violations of the Chicago Convention and the U.S.-EU Air Transport Agreement.

There are also concerns that the Emissions Trading Scheme is nothing more than a revenue-raiser for EU Member States as there is no requirement that EU member states must use the funds for anything related to the reduction of carbon dioxide ("CO₂") production by the civil aviation sector.

The Emissions Trading Scheme will extract money from the airline industry that would otherwise be invested in NextGen technologies and the purchase of new aircraft—just two proven methods for improving environmental performance. In addition, the Scheme would introduce a new commodities market into the cost structure for airlines. Given the havoc fluctuating oil markets have played on the U.S. airline industry, it does not make sense to subject the struggling airline industry to another commodities market that is vulnerable to speculation.

According to the Air Transport Association's testimony before the Aviation Subcommittee this July, the extraction of capital from the aviation system as envisioned under the EU Emissions Trading Scheme could threaten as many as 78,500 American jobs. This is simply unacceptable.

Finally, there are considerable concerns about the proliferation of EU Member States' "eco-charges" being put in place on top of the Emissions Trading Scheme. Questions have arisen as to whether the "eco-charges" are consistent with EU Member States' obligations under international law and whether some of these charges may, in effect, double charge for the same emissions the EU intends to regulate under the Emissions Trading Scheme.

Given all of these concerns, we believe that the EU needs to slow down and carefully weigh their plans to include international civil aviation in their Emissions Trading Scheme.

We believe a better approach is to work with the international civil aviation community through the U.N. International Civil Aviation Organization to establish consensus-driven initiatives to reduce emissions.

However, because the EU has shown no interest in working with the international community to address their concerns and objections and to seek a global approach to civil aviation emissions, we are moving this bipartisan legislation forward to ensure U.S. operators will not participate in their unilateral and questionable Scheme.

The Obama Administration and Republicans and Democrats here in the House have recognized the troubled approach taken by the Europeans and have expressed ardent opposition. This legislation is one of many avenues the United States can take, concurrent with others, to resolve this conflict. To be sure, the United States government will use all tools at its disposal to hold our aviation interests harmless from the Europeans' unfair and illegal Scheme.

I urge my colleagues to support this bipartisan legislation and reserve the balance of my time.